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Linda McCulloch
Superintendent

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TO: School District Superintendents, Clerks, and County Superintendents
FROM: Joan Anderson, Fiscal and Accounting Manager
RE: Tuition Laws – SB 65

Here is a recap of important provisions of the new tuition laws. Call me at 444-1960 or Kathy Fabiano at 444-2562 if you have questions.

SB 65, ALVIN ELLIS
REVISE OUT OF DISTRICT TUITION LAWS

EFFECTIVE DATE: EFFECTIVE JULY 1, 2001, EXCEPT THE CHANGE TO BUDGET TUITION RECEIPTS IN THE OVER-BASE AREA OF THE GENERAL FUND BUDGET IS EFFECTIVE JULY 1, 2002.

SB 65 makes significant changes to the laws that govern student attendance in a school outside their resident district. The bill:

- Eliminates the State's payment of tuition for most students who must cross a county line to attend school outside their resident district.
- Effective FY03, allows districts to use regular education tuition to fund the district's OverBASE general fund budget, rather than the BASE budget. Tuition received in FY02 for non-resident students that attended the district in FY01 must still be budgeted to fund the district's FY02 BASE budget, but tuition charged for non-resident students that attend the district in FY02 may be budgeted to fund the district's FY03 OverBASE budget.
- Gives districts greater flexibility in granting tuition waivers. SB 65 defines three "entities" that may be required to pay tuition – parents/guardians, other districts, and the State. The Trustees can elect to charge tuition for all non-resident students placed in their district by one entity, such as the State, and not charge for non-resident students placed in the district by another entity, such as parents/guardians. All members of an "entity" must be charged equally. For example, if one parent is required to pay tuition, all parents must be required to pay.
- Changes some of the conditions for when acceptance of a non-resident student is mandatory, versus discretionary.
- Lowers the maximum tuition rate that can be charged for a non-resident student, and
- In some cases, changes the entity responsible for paying a child's tuition.

The following grid reflects many of the changes made by SB 65:

TUITION UNDER SB 65 *[Updated for FY03 Attendance]*

UNLESS WAIVED BY THE RECEIVING DISTRICT, THE STUDENT'S TUITION IS PAID BY:	THE RECEIVING DISTRICT'S ACCEPTANCE OF THE NON-RESIDENT STUDENT IS "MANDATORY" ⁽¹⁾ WHEN:	THE RECEIVING DISTRICT'S ACCEPTANCE OF THE NON-RESIDENT STUDENT IS "DISCRETIONARY" WHEN:	THE MAXIMUM TUITION RATE THAT CAN BE CHARGED FOR A MONTANA- RESIDENT STUDENT:
PARENT/GUARDIAN	The child is a member of a family that is required to send another child outside the elementary district to attend high school AND the child lives more than 3 miles from an elementary school in their resident district.	The child wants to attend school in another district and none of the "mandatory" conditions are met.	The max. tuition rate is established by law as 20% of the per-ANB rate used to calculate direct state aid. For attendance in FY02, maximum rate \$767 for elementary and \$1,022 high school. <i>For FY03: K \$ 390, Gr 1-6 or 1-8 \$ 782, Gr 7-8 (accred) \$ 1,041, Gr 9-12 \$ 1,041.</i>
RESIDENT DISTRICT (Tuition is paid out of the district's Tuition Fund, funded from a non-voted district levy)	The child lives closer to the school they want to attend AND more than 3 miles away from their own school AND the resident district does not provide a transportation program (i.e., neither bus service nor parent contracts), or The child lives in a location where, due to a geographic condition ⁽²⁾ it is impractical to attend their own school.	The resident district places students in an adjacent district due to crowding or to attend a program not offered by the resident district, such as kindergarten, a 7-8 grade program, or special ed services under an IEP.	If the child has <u>no disability</u> , max. rate is 20% of the per-ANB rate used to calculate direct state aid. If the child has a <u>disability</u> , the maximum tuition rate is set by OPI rule. <i>[ARM 10.16.3818]</i>
STATE AGENCY OR COURT (Tuition is paid by the County Superintendent <i>[of the County of Attendance]</i> out of the county 55 mill levy collections.)	The child is under the protective care of a state agency or has been adjudicated to be a youth in need of intervention or delinquent, or The child is placed in foster care or a group home licensed by the State.		If the child has a program with higher than average costs and <u>no disability</u> , max. rate is the actual cost of providing the child's program, less 80% of the per-ANB rate, but no more than \$2500. If the child has a <u>disability</u> , the maximum tuition rate is set by OPI rule (ARM 10.16.3818).

(1) Unless the child has a disability, the trustees may refuse attendance to a non-resident student if, due to crowding, accreditation of the school would be affected.

(2) The existence of a geographic barrier is determined by the County Transportation Committee and is defined in SB65 as:

- (a) The length of time for an elementary student's bus trip 1-way is more than 1-hour,
- (b) Distance traveled is greater than 40 miles 1-way from home to school on a dirt road, or more than 60 miles 1-way on a paved road, or
- (c) The condition of the road or existence of a barrier (i.e., river, mountain pass) causes a hazard or prohibits safe travel between home and school.

The Transportation Committee's decision is subject to appeal to the State Superintendent. The State Superintendent may review and rule upon the Committee's decision without an appeal being filed.